

AD-A137 491

PROGRESS IN IMPROVING PROGRAM AND BUDGET INFORMATION
FOR CONGRESSIONAL USE(U) GENERAL ACCOUNTING OFFICE
WASHINGTON DC 08 NOV 83 GAO/OACG-84-2

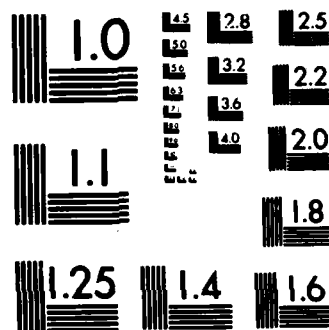
1/1

UNCLASSIFIED

F/G 5/1

NL





MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

AD A 137491

2

BY THE COMPTROLLER GENERAL

Report To The Congress OF THE UNITED STATES

Progress In Improving Program And Budget Information For Congressional Use

This annual report, submitted to the Congress in accordance with 31 U.S.C. § 1113(e), summarizes progress in improving program and budget information for congressional use. The report discusses progress in such areas as cooperative work with DOD to improve their budget process; required information services provided by GAO; and continuing improvements by the executive branch. The report also discusses GAO's work on an improved financial management system for the Federal Government.

DTIC FILE COPY



DTIC
SELECTED
FEB 03 1984
E D

84 02 08 088

This document has been approved
for public release and sale; its
distribution is unlimited.

GAO/OACG-84-2
NOVEMBER 8, 1983



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-200111



To the President of the Senate and the
Speaker of the House of Representatives

This report is submitted to the Congress in accordance with 31 U.S.C. §1113(e), which requires us to report annually on the progress and results of our continuing program to develop standard terms and classifications for Federal fiscal, budgetary, and program-related information; to identify congressional needs for such information; and to monitor recurring reporting requirements of the Congress and recommend changes.

Our work over the last year, as in previous years, has been directed towards improving financial management in the Federal Government, including the congressional budget process and the financial management systems that support policymaking in the Congress and the executive branch. We communicated the results of our work in reports, testimony before congressional committees, and comments on pending legislation. We also provided program and budget information services and special analyses to congressional committees. Appendices I and II list reports issued and testimony given on program and budget information since September 1, 1982.

Over the last year we have noted a number of positive actions which should contribute to improving program and budget information for congressional use. These included such things as our cooperative effort with the Department of Defense to improve its Planning, Programming, and Budgeting System (PPBS); elimination of unnecessary reporting requirements; increased congressional interest in the area as evidenced by several hearings to improve the budget process; and actions to improve congressional access to information noted by the Office of Management and Budget and Department of the Treasury in their March 1983 annual report. However, we believe significant opportunities remain to continue to improve the area. One area of particular significance is improving the Federal financial management processes.

During this past year we have continued to give close attention to the current condition of the financial management systems of the Federal Government and have begun to identify the new directions that should be taken to improve these systems. We are making them the main message of this year's report because we believe they need to be addressed along with the improvements in the congressional budget process that are currently being considered in the Congress. During the last year we initiated several comprehensive efforts, discussed below, to study the

Accession For	
NTIS GRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

(974630)

major issues related to financial management reform. These efforts are in addition to our continuing involvement in assisting the Congress with budget reform and providing program and budget information services and related analyses.

DEVELOPING A MODEL FOR IMPROVING FEDERAL FINANCIAL MANAGEMENT

In the past decade, we have been studying and reporting on needed improvements in individual financial management systems. It is our belief that to meet the long-term goals of modernizing and integrating the fiscal, budgetary, and program information systems and services of the Federal Government, a comprehensive, Government-wide approach is needed. Creating an overall conceptual model of a better integrated financial management system (linking planning, programming, budget formulation, presentation, execution, monitoring, audit and evaluation processes) would allow us to put the many individual reform efforts into better perspective and to deal with their interrelationships. For example, important interrelationships exist among such reform proposals as biennial, credit, and capital budgeting.

An effective and efficient structure for managing Government finances will not cause the budget deficit to disappear, nor will it cause difficult budget decisions to become easy. Such a structure can, however, assure that the Congress and the President have timely, reliable, and consistent information with which to make those decisions. It can also help assure that the decisions will be carried out and that the resulting programs are managed effectively.

In the next year, we plan to work with the Congress and the executive branch to seek agreement on a conceptual framework for Federal financial management that can guide our reform and systems modernization work. We will discuss some of the prominent benefits that we believe could come from an updated and improved structure for managing financial resources. Additionally, we plan to describe some of the features that we believe should be included in that structure.

STUDYING FINANCIAL MANAGEMENT IN THE EXECUTIVE BRANCH

Through internal policy, organizational, and methodological changes, we are giving more attention to the management of the executive branch, including financial management than in previous years. We are evaluating the implementation of the Federal Managers' Financial Integrity Act, which requires heads of Federal departments and agencies to evaluate their internal accounting and administrative control systems and attest annually to the President and the Congress that their systems meet the standards set by the Comptroller General.

Additionally, we have begun to assess executive branch planning, programming, budgeting, and budget execution processes and systems as they support policymaking and management in individual departments and agencies. Our first effort was conducted jointly with the Department of Defense (DOD) during this past year. To design and manage the cooperative study, we, along with DOD, assigned personnel to a Joint Working Group on Defense's Planning, Programming, and Budgeting System (PPBS). We provided the director of the Working Group, several senior analysts, and the staff support; DOD provided four members of the Group representing the three military departments and the Office of the Secretary of Defense (OSD).

The Working Group reported that DOD's PPBS is comprehensive and supports policymaking, but further improvements are possible. They presented to DOD and us alternatives, with pros and cons, for improving analyses, procedures, data support, and congressional actions. Included were steps that could be taken by the military departments, OSD, the Office of Management and Budget, and the Congress. During the coming year the Working Group will report the results of its study to the Deputy Secretary of Defense and the Comptroller General, and personnel from DOD and GAO will be assigned follow-up tasks as agreed to by the Deputy Secretary and Comptroller General.

CONTINUING ASSISTANCE IN CONGRESSIONAL BUDGETARY REFORM

The last year has seen continued congressional and public interest in reforms of congressional budgeting procedures and governmental administration. We provided assistance to Congress using the results of the work we have done in recent years, and emphasized the need for certain broad reforms. Our studies, bill comments, testimony, and liaison with committees in the 96th and 97th Congresses have contributed to developing proposed reform legislation and committee hearings or other steps to further reform congressional and executive branch budgeting. For example, we have reported or testified on the following:

- planning and budgeting for capital investments;
- control of Federal credit assistance programs;
- accountability and control of Government corporations and Government-sponsored public enterprises;
- the effects of Federal funding gaps, and approaches to avoiding the adverse consequences of gaps;
- approaches for streamlining the impoundment control process; and

--the potential effects of shifting to a biennial budget, authorization, and appropriations cycle.

As with financial management in general, we believe that the interrelationships of the relevant proposals, procedures, and concepts need to be considered to assure that the needed reforms are workable and effective. We believe that there is a need to study, with increasing care, the various proposals to assure that reforms are workable and include a streamlining of governmental processes. Reforms adopted should avoid new reporting and scheduling requirements that could overburden a budgetary process that is already heavily encumbered.

OTHER PROGRAM AND BUDGET INFORMATION SERVICES AND RELATED ANALYSES

We continue to maintain and manage automated files as required by the act as follows:

Program inventory file

The automated file of Federal programs and related information, known as the Legislative Authorization, Program, and Budget Information System, contains about 5,500 Federal programs and activities spanning virtually all Federal agencies and also contains information on over 100 Federal tax expenditures. These files are used to provide congressional staff and others with special analyses. For example, authorizing committees are provided with information necessary for their "views and estimates" requirements under the Congressional Budget Act. Additionally, the files are used to meet special congressional demands such as developing a special inventory of programs receiving funds under P.L. 98-8 for creating emergency jobs.

Congressional Information Sources, Inventories, and Directories

We continued to provide information source identification services using the Congressional Information Sources, Inventories, and Directories files--an automated data base of (1) statutory requirements for reports to the Congress; (2) Federal evaluation studies; (3) information sources and resources on fiscal, budgetary, and program matters; and (4) information systems containing data on such matters.

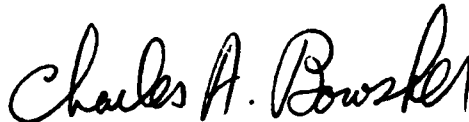
Data in the reporting requirements file was used by the Office of Management and Budget (OMB) as a basis for eliminating duplicative or unneeded reporting by executive agencies. This effort resulted in the Congressional Reports Elimination Act of 1982, which eliminated 35 reports and modified 34 other reporting requirements and resulted in a savings to the Federal Government of approximately \$4 million.

EXECUTIVE BRANCH PROGRESS

The Department of the Treasury and OMB issued their ninth annual report to the Congress (March 1983) in accordance with 31 U.S.C. 1113(e)(3). The statute requires that the Director of the Office of Management and Budget and the Secretary of the Treasury annually report to the Congress on their plans for addressing program and budget information needs. They are also required to include plans for implementing changes to classifications and codes to meet the information needs of the Congress as well as the status of prior year system and classification implementations.

In general, Treasury and OMB officials agree with us that improvements are needed to strengthen the Government's decision-making on program and budget priorities. However, there are areas where we believe further improvements are needed such as reporting spending and revenue on a gross basis. For this reason, we will continue to work with the Congress and OMB to bring about a more complete implementation of our recommendations. But, as we have outlined above, these changes should be addressed as part of a major improvement in the Federal financial management systems.

We are sending copies of this report to the Chairmen of the House Committee on Appropriations, Committee on the Budget, and Committee on Government Operations; the Chairmen of the Senate Committee on Appropriations, Committee on the Budget, and Committee on Governmental Affairs; the Director of the Congressional Budget Office, the Secretary of the Treasury, the Director of the Office of Management and Budget, and other interested persons.


Comptroller General
of the United States

PROGRAM AND BUDGET INFORMATION FOR CONGRESSIONAL USE:REPORTS AND DOCUMENTS ISSUED SINCE SEPTEMBER 1, 1982

<u>Report Title</u>	<u>Control Number</u>	<u>Date</u>
Progress in Improving Program and Budget Information for Congressional Use	PAD-82-47	9/1/82
Including User Charges in the General Revenue Sharing Formulas Could Broaden the Measure of Revenue Effort	PAD-82-29	9/2/82
Questions Regarding Clinch River Breeder Reactor Project Funding and Costs	EMD-82-123	9/15/82
Major Financial Management Improvements Needed at De- partment of Energy	OCG-82-1	9/15/82
Survey to Identify Models Used by Executive Agencies in the Policymaking Process	PAD-82-46	9/24/82
Lessons Learned from Past Block Grants: Implications for Congressional Oversight	IPE-82-8	9/30/82
FERC's Proposed 1983 Budget for the Trans-Alaska Pipeline System Case	EMD-82-130	9/30/82
Congressional Attention is Warranted When User Charges or Other Policy Changes Cause Capital Losses	PAD-83-10	10/13/82
Public Rangeland Improvements-- A Slow, Costly Process in Need of Alternate Funding	RCED-82-23	10/14/82
Budget Implications of Savings Reported in the Third Summary Report Issued by the President's Council on Integrity and Effi- ciency	AFMD-83-14	10/18/82

APPENDIX I

APPENDIX I

<u>Report Title</u>	<u>Control Number</u>	<u>Date</u>
Federal Credit Policy on Guaranteed Loans Should be Clarified and Enforced	RCED-83-22	11/4/82
Analysis of the Energy Research and Development Budget Proposal Process	RCED-83-6	11/5/82
Federal Involvement in the Mount St. Helens Disaster: Past Expenditures and Future Needs	RCED-83-16	11/15/82
Effective Planning and Budgeting Practices Can Help Arrest the Nation's Deteriorating Public Infrastructure	PAD-83-2	11/18/82
Requirements for Recurring Reports to the Congress (Sourcebook)	PAD-82-28	11/82
Possibility of Improper Geothermal Tax Credit Claims	RCED-83-1	12/2/82
Analysis of the Department of Energy's Clinch River Breeder Reactor Cost Estimate	RCED-83-74	12/10/82
Block Grants for Housing: A Study of Local Experiences and Attitudes	RCED-83-21/21A	12/13/82
South Carolina's Objection to a Letter-of-Credit Procedure Used by the Department of Health and Human Services	AFMD-83-1	12/16/82
Updated Information Regarding Funding Gaps and Continuing Resolutions	PAD-83-13	12/17/82
Biennial Budgeting: The State Examples--Summary of the Major Issues	PAD-83-14	12/23/82
Catalog of Federal Credit Programs and Their Interest Rate Provisions	PAD-83-12	12/28/82
A Summary and Comparison of the Legislative Provisions of the Block Grants Created by the 1981 Omnibus Budget Reconciliation Act	IPE-83-2	12/30/82

APPENDIX I

APPENDIX I

<u>Report Title</u>	<u>Control Number</u>	<u>Date</u>
Potential Impacts of Reducing the Environmental Protection Agency's Budget	RCED-83-75	12/30/82
Federal Evaluations (Sourcebook)	PAD-82-27	12/82
Potential for Improving AID's De-obligation and Project Analysis Processes	ID-83-25	1/3/83
Status Report on the Administration's Actions and Proposals for Budgetary Savings in Fiscal Years 1982-83	PAD-83-9	1/3/83
The Department of Housing and Urban Development's Compliance with Continuing Resolution Provision for Using the Full Amounts of Enacted Loan Guarantee Limitations	PAD-83-15	1/25/83
Water Project Construction Backlog--A Serious Problem with No Easy Solution	RCED-83-49	1/26/83
Catalog of Federal Credit Programs and Their Interest Rate Provisions	PAD-83-12	1/28/83
Delaying U.S. Payments to International Organizations May Not Be the Best Means to Promote Budget Restraint	ID-83-26	2/15/83
GAO Staff Views on the President's Fiscal Year 1984 Budget Proposals	OPP-83-1	3/4/83
Summaries of Conclusions and Recommendations on the Operations of Civil Departments and Agencies	OISS-83-1	3/4/83
Summaries of Conclusions and Recommendations on Department of Defense Operations	OISS-83-2	3/4/83
Lessons Can Be Learned from Corrections's Reductions-in-Force Resulting from Budget Cutbacks	GGD-83-22	3/9/83

APPENDIX I

APPENDIX I

<u>Report Title</u>	<u>Control Number</u>	<u>Date</u>
Effect of Fiscal Year 1982 Budget Reductions on the Federal Labor Relations Authority	FPCD-83-18	3/11/83
Analysis of Alternative Approaches to Completing the Department of Energy's Water Cooled Breeder Program	RCED-83-87	3/25/83
Analysis of DOD's Claimed Budgetary Savings Through Management Reforms	PLRD-83-61	4/4/83
Inaccurate Fund Transfers Between Social Security Administration and Railroad Retirement Board	HRD-83-2	4/4/83
Centers For Disease Control Should Discontinue Certain Diagnostic Tests and Charge for Others	HRD-83-37	4/6/83
Congress Should Consider Revising Basic Corporate Control Laws	PAD-83-3	4/6/83
Effects of Fiscal Year 1982 Budget Cuts on the Merit Systems Protections Board and Its Office of Special Counsel	FPCD-83-20	4/8/83
National Parks' Health and Safety Problems Given Priority; Cost Estimates and Safety Management Could Be Improved	RCED-83-59	4/25/83
The Defense Budget: A Look at Budgetary Resources, Accomplishments, and Problems	PLRD-83-62	4/27/83
Analysis of the Powder River Basin Federal Coal Lease Sale: Economic Valuation Improvements and Legislative Changes Needed	RCED-83-119	5/11/83
Analysis of Studies on Alternative Financing for the Clinch River Breeder Reactor	RCED-83-151	5/12/83
Update of Department of Energy Staffing Levels Under the Assistant Secretary for Conservation and Renewable Energy	RCED-83-177	6/6/83

APPENDIX I

APPENDIX I

<u>Report Title</u>	<u>Control Number</u>	<u>Date</u>
Congress Should Extend Mandate to Experiment With Alternative Bidding Systems in Leasing Off-shore Lands	RCED-83-139	5/27/83
Several States Have Not Properly Implemented Certain AFDC Provisions of the Omnibus Budget Reconciliation Act of 1981	HRD-83-56	6/8/83
Defense Spending and Its Relationship to the Federal Budget	PLRD-83-80	6/9/83
Navy's F/A-18 Program Faces Budget Concerns and Performance Limitations as Aircraft Enter the Fleet	MASAD-83-28	6/10/83
Status Report on the Administration's Proposals for Budgetary Savings in Fiscal Year 1983	PAD-83-43	6/14/83
Bonneville's ADP Resource Management Controls Show Improvement, but More Needs to be Done	AFMD-83-63	6/22/83
Implementation of Section 191 of the Omnibus Budget Reconciliation Act of 1982, Regarding Distribution of Surplus Food to Hungry People	RCED-83-190	7/8/83
Comments on Proposed Impoundments of FY 1983 Budget Authority and Observations on the Impact of the Supreme Court's Decision on the Legislative Veto on the Impoundment Control Act of 1974.	OGC-83-14	8/2/83

PROGRAM AND BUDGET INFORMATION FOR CONGRESSIONAL USE:TESTIMONY GIVEN SINCE SEPTEMBER 1, 1982

<u>Subject</u>	<u>Date</u>	<u>Committee</u>	<u>Witness</u>
President's Private Sector Survey on Cost Control	9/15/82	House Post Office and Civil Service	Rosslyn Kleeman, Associate Director, Federal Personnel and Compensation Division
Modifications in the Congressional Budget Process	9/21/82	Senate Budget	Comptroller General
Budgeting for Capital Investments	9/22/82	House Public Works and Transportation	Comptroller General
Congressional Budget Process	9/29/82	House Rules	Comptroller General
Water Project Construction Backlog of Corp. of Engineers and Bureau of Reclamation	2/23/83	House Committee on Public Works & Transportation	J. Dexter Peach, Director, Resources, Community and Economic Development Division
Loans and Off-Budget Financing to Support Foreign Military Sales	3/10/83	House Foreign Affairs	Frank Conohan, Director, International Division
DOD Claimed Savings Due to Management Reforms	4/5/83	House Government Operations	Werner Grosshans, Deputy Director, Procurement, Logistics, and Readiness Division
Federal Financing Bank	4/5/83	Senate Banking, Housing and Urban Affairs	Harry Havens, Assistant Comptroller General
Advance Budgeting of Federal Assistance/State Biennial Budgeting	5/3/83	Senate Governmental Affairs	Comptroller General
Federal Financing Bank	5/12/83	House Ways and Means	Harry Havens, Assistant Comptroller General

APPENDIX II

APPENDIX II

<u>Subject</u>	<u>Date</u>	<u>Committee</u>	<u>Witness</u>
Adequacy of Energy Regulatory Admin- istrations 1984 Compliance Budget	5/23/83	House Energy and Commerce Committee	James Duffus, III, Senior Group Direc- tor, Resources, Community and Economic Development Division
Budget Concerns of Navy's F/A-18 Program	6/14/83	House Appro- priations	Patrick Donahue, Group Director, Mission Analysis and Systems Acquisi- tion Division

END

FILMED

02 - 84

DTIC